

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF  
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN  
OF THE CITY OF MIAMI BEACH  
March 12, 2013

Chairman Boyd called the meeting to order at 10:00 a.m.

Board Members present were as follows:

|                  |                 |             |
|------------------|-----------------|-------------|
| James Boyd       | Hilda Fernandez | Carla Gomez |
| Jorge Gomez      | Warren Green    | Ray Horday  |
| Richard McKinnon | Jonathan Sinkes |             |

Members absent - Patricia Walker

Also present were:

|                 |                         |
|-----------------|-------------------------|
| Steve Cypen     | Legal Counsel           |
| Rick Rivera     | Pension Administrator   |
| Robert Martinez | Assistant Administrator |
| Melissa Algayer | Fund Actuary, GRS       |
| Jeffrey Amrose  | Fund Actuary, GRS       |

CONSENT AGENDA

A motion was made by Mr. Horday duly seconded by Mr. Green, and with all in favor it was unanimously

RESOLVED that the Addendum to the Consent Agenda for items C-3, C-4 and C-5 be added to the Consent Agenda.

A motion was made by Mr. McKinnon duly seconded by Mr. Sinkes, and with all in favor it was unanimously

RESOLVED that the consent agenda be approved as amended except for Item C-13(2) and Item C-13(3), reimbursements for Richard McKinnon and Warren Green.

Ms. Gomez entered the meeting at 10:20 a.m.

A motion was made by Mr. Sinkes duly seconded by Mr. Horday, and with all in favor, except Mr. Green who abstained, it was

RESOLVED that Item C-13 (2), Warren Green travel expense reimbursement for the amount of \$1,217.62, be approved as presented.

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A motion was made by Mr. Sinkes duly seconded by Mr. Horday, and with all in favor, except Mr. McKinnon who abstained, it was

RESOLVED that Item C-13 (3), Richard McKinnon travel expense reimbursement for the amount of \$701.18, be approved as presented.

C-1 The Minutes of the February 5, 2013 board meeting were approved as presented.

C-2 New Members were approved as follows -

| <u>NAME</u>          | <u>ID #</u> | <u>CLASSIFICATION</u>    | <u>Union</u> | <u>HIRE</u> | <u>APPT.<br/>DATE</u> |
|----------------------|-------------|--------------------------|--------------|-------------|-----------------------|
| Eric Arencibia       | 20180       | Civil Engineer I         | UNC          | 2/11/2013   |                       |
| Tonya Daniels        | 20177       | Development Coord.       | UNC          | 1/22/2013   |                       |
| Gabrielle Redfern    | 20176       | Commissioner Aide        | UNC          | 1/9/2013    |                       |
| Glendon Hall         | 20000       | Redevelopment Specialist | UNC          | 2/11/2013   |                       |
| Roberto Perez        | 19860       | MSW II                   | AFSCME       | 8/1/2011    | 2/12/2013             |
| Aida Ortiz           | 18632       | Financial Analyst        | UNC          | 4/24/2012   | 2/11/2013             |
| Nancy Alba           | 18530       | Data Entry Clerk         | CWA          | 3/14/2011   | 1/28/2013             |
| Eboni Gibson-Chatman | 18293       | Data Entry Clerk         | CWA          | 5/17/2011   | 1/28/2013             |

C-3 New Retiree Allowances were approved as follows -

| <u>Name</u>   | <u>Date</u> | <u>Retirement Type</u> | <u>Monthly Amount</u> |
|---------------|-------------|------------------------|-----------------------|
| Joyce Meyers  | 03/01/2013  | Ordinary (50%)         | \$ 3,975.97           |
| Henry Herranz | 04/01/2013  | Ordinary (50%)         | \$ 7,010.05           |
| Kevin Timmony | 03/01/2013  | Ordinary (50%)         | \$ 4,855.00           |
| Fred Beckmann | 04/01/2013  | J & S Ret. (100%)      | \$ 4,983.06           |

C-4 New Pensioner Allowances were approved as follows -

| <u>Name</u>    | <u>Date of Retirement</u> | <u>Ret. Type</u> | <u>Dependent Upon</u> | <u>Amount</u> |
|----------------|---------------------------|------------------|-----------------------|---------------|
| Verma Pitts    | 02/01/2013                | 50% Cont.        | Clarence Pitts        | \$1,966.15    |
| Marcus Smith   | 03/01/2013                | 66 2/3% Cont.    | Betty Smith           | \$2,489.21    |
| Kathleen James | 02/01/2013                | 100% Cont.       | Fredrick James        | \$951.36      |

C-5 Requests for Lump Sum Refunds were approved as follows -

| <u>Name</u>               | <u>Separation Date</u> | <u>Amount</u> | <u>Reason</u> |
|---------------------------|------------------------|---------------|---------------|
| Elizabeth Vergara         | 02/01/2013             | \$ 486.30     | Resignation   |
| Judith Hernandez-Figueroa | 02/15/2013             | \$54,239.81   | Resignation   |

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C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows

| <u>NAME</u>     | <u>DATE</u> | <u>YEAR</u><br><u>PURCHASED</u> | <u>HOURS</u><br><u>USED</u> | <u>CASH</u><br><u>USED</u> | <u>Total</u><br><u>Buyback</u> | <u>Buyback</u><br><u>Type</u> |
|-----------------|-------------|---------------------------------|-----------------------------|----------------------------|--------------------------------|-------------------------------|
| Irina Villegas  | 2/7/2013    | 0.53                            | 0                           | \$2,610.74                 | \$ 2,610.74                    | Prob.                         |
| P. Prachtakov   | 1/30/2013   | 0.46                            | 98.29                       | \$ -                       | \$ 2,301.10                    | Prob.                         |
| Tomas Hernandez | 2/7/2013    | 0.50                            | 0                           | \$2,045.18                 | \$ 2,045.18                    | Prob.                         |

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

| <u>Employee Name</u> | <u>Private</u><br><u>Sector</u> | <u>Prior</u><br><u>Military</u> | <u>Prior</u><br><u>Gov't</u> | <u>Cred. Service</u><br><u>Applying for</u> |
|----------------------|---------------------------------|---------------------------------|------------------------------|---|
| Kaylee Alayon        | x                               |                                 |                              | 2.0   |
| Cristina Delvat      |                                 |                                 | x                            | 2.0   |
| Jacob Dorce          | x                               |                                 |                              | 2.0   |
| Tomas Hernandez      | x                               |                                 |                              | 2.0   |
| Silvia Royner        | x                               |                                 |                              | 2.0   |
| Linette Nodarse      | x                               |                                 |                              | 2.0   |

C-9 DROP applicants were approved as follows -

| <u>Name</u>  | <u>Effective</u> | <u>Estimated</u><br><u>Monthly</u><br><u>Benefit</u> | <u>Last DROP Pmt.</u> |
|--------------|------------------|--|-----------------------|
| Luis Mojicar | 04/01/2013       | \$ 1,209.12  | 03/01/2016            |

C-10 Lump Sum Refunds Paid since the last meeting were approved as follows -

| <u>DATE</u> | <u>NAME</u>                     | <u>Lump Sums Paid February 2013</u> | <u>CK#</u> | <u>AMOUNT</u> |
|-------------|---------------------------------|-------------------------------------|------------|---------------|
| 2/12/2013   | Lump Sum- Andres Ruiz           |                                     | 113703     | \$10,584.72   |
| 2/12/2013   | 945 Tax deposit Andres Ruiz     |                                     | xxxx       | \$ 2,646.18   |
| 2/12/2013   | IRA Rollover - Sonia Louis      |                                     | 113694     | \$ 3,265.34   |
| 2/12/2013   | IRA Rollover Jennifer Rodriguez |                                     | 113695     | \$15,506.70   |
| 2/14/2013   | Lump Sum- Jennifer White        |                                     | 113696     | \$ 7,215.56   |
| 2/14/2013   | 945 Tax Deposit- Jennifer White |                                     | xxxx       | \$ 1,803.89   |

C-11 The Financial Reports were approved as presented.

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### **C-12 Requests for Payment**

#### **Legal**

Steve Cypen- Legal Services

Legal services rendered for the month of March \$ 5,000.00

#### **Bookkeeping**

Joan Wall- Bookkeeping

services rendered for the month of March' \$ 350.00

#### **Actuary Fee**

GRS- Actuarial Valuation

Report preparation per inv.# 120831 dated 2/13/13 \$ 1,496.00

#### **Auditors**

GSK- Audit

Progress bill for 9/30/12 audit inv.# 101003 \$ 12,800.00

#### **Medical Board**

Medical Exam- Cornel Lupu, MD

Medical exam for disability applicant Angela Raines \$ 1,000.00

#### **Office, etc.**

Copier - Wells Fargo Financial Leasing

Monthly copier fees per inv.# 6745359074 \$ 302.60

Computer & Phone Use- CMB Information Technology

For the month of Dec. 2012 & Feb.2013 Per Inv.# 00035906,00035904 \$ 5,760.00

Storage - IDD

Monthly storage fee per inv.# 0075359 \$ 71.13

Printing & Postage- Central Services

Printing & mailing charges for the month of January 2013 per inv. \$ 2,595.24

Office Supplies- Office Depot

Per invoice # 643741599001,643741686001,644875882001 \$ 202.59

Verification Services- The Berwyn Group

Death Check & Address Search Per inv.# 22426 \$ 10.00

#### **Investment Consultant Fees**

Investment Management Fees- WHV Int'l Equity

Quarterly Fee 12/31/12 Per Inv.# 2125 \$ 88,079.00

Investment Management Fees- WHV Emerging Markets

Quarterly Fee 12/31/12 Per Inv.# 2123 \$ 25,864.00

Investment Management Fee- Wellington Management

Quarterly Fee 12/31/12 Per inv.# 579506 \$ 56,155.40

#### **Custody Fees**

Fiduciary Trust- Custodian Fees

Quarterly fees P/E 1/31/13 for RH ADR per inv.# S14800222568 \$ 3,170.79

Fiduciary Trust- Custodian Fees

Quarterly Fee 1/31/13 WHV Mgmt. Per inv.# S14800222571 \$ 884.00

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**C-13 Requests for Payment (Conferences)**

**Conv/Seminars/Dues/Etc**

(1)Conf. & Edu.- Carla Gomez

|  |    |        |
|--|----|--------|
| Travel expense reimbursement for FPPTA Trustees School | \$ | 450.88 |
|--|----|--------|

(2)Conf. & Edu. - Warren Green

|  |    |          |
|--|----|----------|
| Travel Expense Reimbursement for FPPTA Trustees School | \$ | 1,217.62 |
|--|----|----------|

(3)Conf. & Edu. - Richard McKinnon

|  |    |        |
|--|----|--------|
| Travel Expense Reimbursement for FPPTA Trustees School | \$ | 701.18 |
|--|----|--------|

(4)Conf. & Edu.- NCPERS Annual Conf. Hawaii

|   |    |          |
|---|----|----------|
| Conference registration for Warren Green & Richard McKinnon | \$ | 1,300.00 |
|---|----|----------|

**REGULAR AGENDA**

**R-1 Deferred Items - (None)**

**R-2 New Items -**

**A.**       October 1, 2012 Actuarial Valuation Report Presentation by Melissa Algayer and Jeffrey Amrose of GRS - Ms. Algayer went over the draft valuation report. She reviewed the comparison of required employer contributions. Ms. Algayer said that the primary reasons for the increase in employer contributions are the reduction of the investment return assumption from 8.15% to 8.00%, the net actuarial loss of \$23,859,099 for the year and the payment on unfunded liability.

Mr. Amrose reviewed the actuarial experience and funded ratio of the Plan. He went over the analysis of change in employer contribution as well as the asset value derived by smoothing the assets over 5 years. Mr. Amrose reviewed the 10yr ARC and funded ratio projections as well as the 30yr UAL & Amortization payment projections as outlined on the report. He pointed out that the market value of the Plan assets had exceeded the actuarial value of the plan assets for the first time in several years. Mr. Amrose went over the actuarial value of accumulated pension benefits based on the FRS investment return assumption.

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Ms. Algayer reviewed the UAAL amortization period and payments spreadsheet per the report. She went over the reconciliation of plan assets from the report. She reviewed the smoothing of actuarial value of assets from the report. Ms. Algayer said that this was the last year that the \$18.6 million smoothed loss from 2008 would be reflected in the valuation. Ms. Algayer and Mr. Amrose continued to go over the 10/1/2012 valuation report.

A motion was made by Mr. McKinnon duly seconded by Mr. Green, and with all in favor, it was unanimously

RESOLVED that the October 1, 2012 GRS Valuation Report be approved as presented.

- B. 2012/2013 Administrative Budget - The Administrator presented 2012/2013 budget. He said that actual expenses through 9/30/2012 were taken directly from the September 30, 2012 financial statements. He said that this year's budget was approximately \$1000 less than last year's budget.

A motion was made by Mr. McKinnon duly seconded by Ms. Fernandez, and with all in favor, it was unanimously

RESOLVED that the 2012/2013 administrative budget be approved as presented.

- C. Letter from WHV regarding Most Favored Nation Clause and Emerging Markets Fund - The Administrator said that he had received a letter from David Schwarzenberger from WHV stating that the WHV International ADR account did not have a 'most favored nation clause'. He said that WHV Emerging Markets contract contained the most favored nation clause and WHV would like to include this clause in the international ADR account. Mr. Cypen said that it was beneficial to have this clause in the contract and he had no objection to having the clause included.

The Administrator went over an email from WHV that proposed a fee decrease in the WHV emerging markets account if the Plan contributed \$20 million into the WHV Emerging Markets account. The Board reviewed a MEMO from Bill Cottle endorsing the \$20 Million transfer into the WHV EM account. A discussion ensued. No action was taken at this time.

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R-3 Other Business

A. The Administrator's Report - (None)

R-4 For Your Information

Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. McKinnon duly seconded by Ms. Fernandez and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 11:55 a.m.

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James Boyd, Chairman

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Hilda Fernandez, Secretary